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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 9, 2015

CERTIFIED RETURN RECEIPT

7013 3020 0002 3659 6030

Thomas J. Clark
1145 North 1100 West
St. George, Utah 84770

Subject: Evaluation of Reclamation Surety and Updated Notice of Intent, Thomas J. Clark, Daddy Dearest Mine, S/015/0046, Emery County, Utah

Dear Mr. Clark:

The last reclamation cost estimate for the Daddy Dearest mine was completed in 2008 with the surety amount escalated to 2013 dollars, so the reclamation surety amount is now due for review and adjustment. The Division of Oil, Gas and Mining may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (rule R647-4-113.6).

The current reclamation surety is in the amount of \$20,000.00 as a letter of credit held by the Bureau of Land Management. The reclamation surety needs to be increased to either \$34,400.0 for a three year escalation or \$34,900.00 for a five year escalation. The BLM has concurred with this increase which is based on information in the following table:

Small Mine Operation (1-5 acres) Bond Calculation Worksheet			
(Operation Name) S/O**/O***			
3-year escalation (2018)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	3	\$5,000.00	\$15,000.00
Portal Closure	5	\$2,000.00	\$10,000.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
TOTAL			\$34,400.00
5-year escalation (2020)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	3	\$5,100.00	\$15,300.00
Portal Closure	5	\$2,000.00	\$10,000.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
TOTAL			\$34,900.00

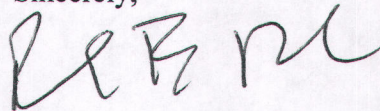
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Thomas J. Clark
S/015/0046
September 9, 2015

To effect the increase, you may amend the letter of credit, or you may supply a new letter of credit, a certificate of deposit, cash, or a surety bond for either the increased or full amount. Please contact the minerals program bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov with questions about increasing the surety amount. Please provide the increased surety by November 13, 2015.

The Division also requests that you provide an updated Notice of Intention to Conduct Small Mining Operations (NOI) to ensure it is adequate and reflects the current operating conditions. The current NOI on file with the Division is from 1995 and is out of date. Attached is a black copy of the NOI. You can obtain the NOI form from the Division's web site at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/permit_forms.html. Please provide the updated NOI by November 13, 2015.

Thank you for your cooperation. Please call Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions about this letter.

Sincerely,



Paul B. Baker
Mining Program Manager

PBB:whw:pb
Enclosure: Copy of 1995 NOI
cc: Chris Conrad, Price BLM (cconrad@blm.gov)
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